

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed Emergency After Notice

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 88, “Managed Health Care Providers,” Iowa Administrative Code.

These amendments add Medicaid coverage for a new type of managed health care, Programs of All-Inclusive Care for the Elderly (or PACE), as allowed under federal Medicaid regulations at 42 CFR Part 460. For a monthly capitated rate, a PACE organization provides all preventive, primary, acute, and long-term care services to persons who enroll in the program.

To become a PACE organization, an entity must be approved by both the Department and the Centers for Medicare and Medicaid Services (CMS). The organization must enter into a three-party agreement with the Department and CMS committing to abide by state rules and federal regulations for PACE programs. The agreement must specify which counties the program will serve.

PACE programs may serve Medicaid members, Medicare beneficiaries, persons eligible for both Medicare and Medicaid benefits, and persons who pay privately for the service. Enrollment is limited to persons who are 55 years of age or older and who need care at the nursing facility level but are able to live in a community setting without jeopardizing their health and safety. Enrollees receive preventive and coordinated medical care that allows them to live in their homes. Enrollment to receive services from a PACE organization is voluntary.

If a Medicaid member chooses to enroll in a PACE program, the member must receive Medicaid benefits solely through the PACE organization while enrolled in the program. Medicaid members enrolled in the PACE program are liable to the PACE organization for the amount of their capitation payment, to the extent of their countable income as determined using the procedures for determining client participation in a long-term care facility.

The Department has assured CMS that the PACE program will be budget-neutral. An actuarial analysis has been completed to ensure that PACE capitation payments are less than the amount that would otherwise have been paid under the Medicaid state plan for the enrollees’ services if the enrollees were not enrolled under the PACE program.

These amendments do not provide for waivers in specified situations because the amendments reflect federal regulations that the Department has no authority to waive. Requests for waivers may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

Notice of Intended Action on these amendments was published in the Iowa Administrative Bulletin on May 21, 2008, as **ARC 6806B**. The Department received no comments on the Notice of Intended Action. The Department has added one technical change to this filing, to correct the name of the Iowa Board of Medicine in subrule 88.49(4).

The Council on Human Services adopted these amendments on July 9, 2008.

The Department finds that these amendments confer a benefit on Medicaid members by offering them another alternative to long-term care placement. Therefore, these amendments are filed pursuant to Iowa Code section 17A.5(2)“b”(2), and the normal effective date of these amendments is waived.

These amendments are intended to implement Iowa Code section 249A.4.

These amendments became effective on July 9, 2008.

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Ch 88] is being omitted. With the exception of the change noted above, these amendments are identical to those published under Notice as **ARC 6806B**, IAB 5/21/08.

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[For replacement pages for IAC, see IAC Supplement 7/30/08.]